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LISTING STATEMENT No. 2107

LISTED MAY 22, 1962
714,000 shares of the par value
of \$1.00, of which 114,000
are subject to issuance.
Ticker abbreviation "NAC"
Post section 11

JUN 14 1962

File JB

TORONTO STOCK EXCHANGE

LISTING STATEMENT

NATIONAL CONTAINERS LIMITED

an operating Company incorporated under the laws of the
Province of Quebec by Letters Patent dated January 4, 1946.

Shares of the par value of \$1.00 each

CAPITAL SECURITIES AND FUNDED DEBT AS AT MAY 15, 1962

	AUTHORIZED	ISSUED	TO BE LISTED
First Mortgage Bonds	(1)		
6½ % First Mortgage Sinking Fund Bonds Series A	\$1,000,000	\$1,000,000	NIL
Shares of the par value of \$1.00	1,000,000	600,000	714,000 (2)

- (1) The authorized aggregate principal amount of First Mortgage Bonds which may be issued at any time is unlimited but additional Bonds may only be issued subject to the restrictions contained in the Trust Deed providing for the issue of such Bonds.
- (2) of which 80,000 shares are reserved for issue upon the exercise of outstanding share purchase warrants and of which 34,000 have been set aside by the directors of the Company for issue upon the exercise of options to be granted to full time officers and employees of the Company and its subsidiaries.

May 15, 1962

1. APPLICATION

National Containers Limited (herein referred to as the "Company") hereby makes application for a listing on the Toronto Stock Exchange of

- (a) 600,000 shares of the par value of \$1 each in the capital of the Company, all of which are issued and outstanding as fully paid and non-assessable;
- (b) 80,000 shares of the par value of \$1 each in the capital of the Company, upon notice of issuance thereof, being the number of shares which may be purchased on the exercise of the right of purchase conferred by the outstanding share purchase warrants of the Company;
- (c) 34,000 shares of the par value of \$1 each in the capital of the Company, upon notice of issuance thereof, being the number of shares which the directors of the Company have set aside in respect of options to be granted to full-time officers and employees of the Company and its subsidiaries.

2.

REFERENCE TO PROSPECTUS

Reference is made to the attached prospectus dated March 9, 1962 in respect of an offering of \$1,000,000 principal amount of 6½ % First Mortgage Sinking Fund Bonds Series A of the Company, 150,000 shares of the par value of \$1 each in the capital of the Company and 40,000 share purchase warrants, a copy of which prospectus is hereby incorporated herein and made a part hereof.

3.

OPINION OF COUNSEL

David Litner, Q.C., 423 Mayor Street, Montreal, Quebec, solicitor for the Company, is filing in support of this application an opinion stating, among other things, that

- (a) the Company is a duly incorporated, organized and subsisting corporation in good standing under the laws of the Province of Quebec,
- (b) the authorized capital of the Company consists of 1,000,000 shares of the par value of \$1 each, of which 600,000 have been issued and are outstanding as fully paid and non-assessable, and
- (c) shares which may be purchased by the holders of outstanding share purchase warrants will upon the exercise by the bearer of a warrant of the right to purchase conferred by the said warrant be outstanding as fully paid and non-assessable.

4.

EMPLOYEE STOCK OPTION PLAN

The Company has set aside 34,000 shares for issue upon the exercise of options to be granted to full-time officers and employees of the Company and its subsidiaries and proposes to establish an employee stock option plan under which options to purchase a maximum of 34,000 shares in the capital of the Company may be granted by the board of directors to full-time officers and employees of the Company and its subsidiaries. The prices at which shares optioned under the plan may be purchased will be determined by the board of directors at the time of the granting of the options but in no event will such prices be less than the following percentages of the market value of the shares of the Company (based on the price of such shares on the Toronto Stock Exchange) on the day on which the option is granted: 80% if such market value is \$1.00 or less; 82% if such market value is in excess of \$1.00 and not more than \$2.00; 85% if such market value is in excess of \$2.00 and not more than \$5.00; and 90% if such market value is in excess of \$5.00.

5.

LISTING ON OTHER STOCK EXCHANGES

Application has been made by the Company to list its shares on the Montreal Stock Exchange.

6.

STATUS UNDER THE SECURITIES ACTS

The offering of \$1,000,000 principal amount of 6½ % First Mortgage Sinking Fund Bonds Series A of the Company, 150,000 shares of the par value of \$1 each in the capital of the Company and 40,000 share purchase warrants referred to in paragraph 2 hereof and in the prospectus attached hereto for sale in the Provinces of Ontario and Quebec has been approved by the Ontario Securities Commission and the Quebec Securities Commission.

7.

FISCAL YEAR

The fiscal year of the Company ends on December 31 in each year.

8.

ANNUAL MEETINGS

The annual meeting of shareholders shall be held at such place within the Province of Quebec on such day in each year as the board of directors of the Company determine. The last annual meeting of the shareholders of the Company was held on March 22, 1962.

9.

HEAD OFFICE

The head office of the Company is located at 25 Du Moulin Street, Ville St. Pierre, Quebec. The mailing address of the Company is P.O. Box 3000, Montreal 28, Quebec.

10.

TRANSFER AGENT AND REGISTRAR

Canada Permanent Toronto General Trust Company at its principal offices in the Cities of Toronto and Montreal is the Transfer Agent and Registrar for the shares of the par value of \$1 each in the capital of the Company.

11.

TRANSFER FEES

No fee is charged on the transfer of the shares of the Company other than the customary stock transfer taxes.

12.

AUDITORS

The Auditors of the Company are Matthews, Hoffman & Co., Chartered Accountants, 292 St. Joseph Boulevard West, Montreal, Quebec.

This prospectus is not and under no circumstances is to be construed as a public offering of these Bonds, Shares or Share Purchase Warrants for sale in the United States of America or in the territories or possessions thereof.

National Containers Limited

\$1,000,000

6½% First Mortgage Sinking Fund Bonds Series A

To be dated March 15, 1962

To Mature March 15, 1977

150,000 Shares
(par value \$1.00 per share)
and

40,000 Share Purchase Warrants

The Series A Bonds, the Shares and the Share Purchase Warrants are offered in Units each consisting of a Series A Bond in the principal amount of \$100, 15 Shares and 4 Share Purchase Warrants. The Shares and the Share Purchase Warrants will be deposited with the Depositary under the Deposit Agreement referred to in this prospectus and will not be transferable separately until, in the case of the Shares, May 15, 1962, and, in the case of the Share Purchase Warrants, September 15, 1962.

Principal and half-yearly interest (payable March 15 and September 15) and redemption premium, if any, on the Series A Bonds will be payable in lawful money of Canada at any branch in Canada of the Company's bankers to be specified in the Series A Bonds, at the holder's option. Series A Bonds to be in coupon form with provisions for registration as to principal only in denominations of \$100, \$500 and \$1,000 and in fully registered form in denominations of \$1,000 and multiples thereof authorized by the Company.

Each coupon Series A Bond will have attached thereto certificates entitling the holder thereof to receive from the Depositary under the Deposit Agreement referred to in this prospectus (i) after May 15, 1962, 15 Shares for each \$100 principal amount of such coupon Bond and (ii) after September 15, 1962, 4 Share Purchase Warrants for each \$100 principal amount of such coupon Bond. Each fully registered Series A Bond will provide that the Depositary under the Deposit Agreement will forward to the registered holder thereof (i) forthwith after May 15, 1962, 15 Shares for each \$100 principal amount of such fully registered Bond and (ii) forthwith after September 15, 1962, 4 Share Purchase Warrants for each \$100 principal amount of such fully registered Bond.

The Series A Bonds will be redeemable at the option of the Company and out of sinking fund moneys as set out under the headings "Redemption" and "Sinking Fund" herein.

Sinking Fund

The Company will covenant to establish a sinking fund to provide for the retirement of \$70,000 principal amount of Series A Bonds on March 15 in each of the years 1964 to 1976 inclusive. Further particulars concerning the sinking fund are more fully given herein.

Share Purchase Warrants

The Share Purchase Warrants will entitle the bearers thereof at any time after September 15, 1962 and up to and including March 15, 1969 to purchase shares of the Company at the following prices: \$4.50 per share if the right of purchase is exercised after September 15, 1962 and on or before March 15, 1964; \$4.75 per share if the right of purchase is exercised after March 15, 1964 and on or before March 15, 1966; \$5.00 per share if the right of purchase is exercised after March 15, 1966 and on or before March 15, 1969. The Share Purchase Warrants will be void after March 15, 1969.

The Indenture pursuant to which the Share Purchase Warrants will be issued will contain provisions for adjustment of the number of shares issuable pursuant to the privilege attaching to the Share Purchase Warrants in certain events more fully described herein.

TRUSTEE: Montreal Trust Company.

TRANSFER AGENT AND REGISTRAR FOR SHARES: Canada Permanent Toronto General Trust Company, Toronto and Montreal.

In the opinion of counsel, the Series A Bonds will be investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may invest their funds, without resorting to the provisions of subsection (4) of section 63 of the said Act.

The listing, after May 15, 1962, of the Shares on the Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution.

We, as principals, offer these Units, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. McCarthy & McCarthy, Toronto, Ontario, special counsel to the Company, and by Mr. David Litner, Q.C., Montreal, Quebec, solicitor for the Company and on our behalf by Messrs. Zimmerman, Haywood, Winters & Chambers, Toronto, Ontario. Messrs. McCarthy & McCarthy and Messrs. Zimmerman, Haywood, Winters & Chambers may rely on the opinion of Mr. David Litner, Q.C. in respect of the validity of the incorporation and organization of the Company and of its subsidiary, MacDonald Drums Mfg. Corporation, and on the opinions of local counsel in respect of the title of the Company and its subsidiaries to their respective properties.

Price: \$163 per Unit

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that Series A Bonds in definitive form will be available for delivery on or about March 26, 1962.

The information which follows has been supplied by Mr. J. B. Goodis, President of National Containers Limited.

The Company and its Subsidiaries

National Containers Limited (hereinafter called the "Company") was incorporated under the laws of the Province of Quebec by letters patent dated January 4, 1946 and engages directly and through its wholly-owned subsidiaries, MacDonald Drums Mfg. Corporation (hereinafter called "MacDonald") and National Steel Drum Ltd. (hereinafter called "National") in the business of manufacturing and reconditioning steel drums used for the bulk packaging of chemicals, foods, paints, adhesives, cleaning agents and petroleum products.

Plants and Operations

The Company, MacDonald and National own three separate plants with an aggregate floor area of 98,300 square feet located on 21 acres of land. The properties of the Company and MacDonald adjoin each other and are located at Ville St. Pierre, a suburb of Montreal. National's property is located at the Town of Petrolia, Ontario. The lands, buildings, machinery and equipment owned by the three companies were appraised by Canadian Appraisal Company, Limited as of December 31, 1960 as having a replacement value new of \$2,219,000 and a then present value, based on cost of replacement less observed depreciation, of \$1,583,000. During 1961 and the early part of 1962 MacDonald purchased a building of about 5,000 square feet from the Company, renovated the same, built a 3,000 square foot addition thereto and acquired additional manufacturing machinery and equipment. The cost of the said 3,000 square foot addition and the said machinery and equipment was \$94,700. National during the same period added 13,400 square feet to its buildings and acquired additional machinery and equipment at a total cost of \$245,000.

MacDonald and National manufacture steel drums of all shapes, sizes and weights and with various openings as specified by the purchasers. Some of these drums which are used in the bulk packing and shipping of foods and certain other products are specially lined with a protective coating to prevent contamination during shipping. Similarly, certain drums are lined so that chemically active products will not be affected by direct contact with the steel.

The Company and National recondition steel drums used for repeat shipments. Drums are delivered to the plants by means of large trucks adapted for this purpose and go through a process whereby machines specially designed for the mass reconditioning of drums automatically dedent same, straighten and seal the chimes, chain the inside of the drums to remove all rust, paint and other foreign substances, wash the inside and outside of the drums with detergents, test for leaks, remove all paint and rust from the outside of the drums by means of a steel shot blasting machine and then automatically or semi-automatically paint and bake the outside finish.

The Company and its subsidiaries have contracts under which they manufacture new drums and recondition drums belonging to various users who find it advantageous to avail themselves of the Company's and National's modern facilities. The Company has increased commitments with major users of new drums which will provide a firm sales volume in 1962 estimated to be equal to approximately 18% of the 1961 sales volume of the Company and its subsidiaries.

The operations of all three companies are ideally located, since the most economic distance for transporting both new and reconditioned drums is within a radius of about 200 miles of the plant. The Company and MacDonald, located side by side at Ville St. Pierre, use the same transportation for their products and are able quickly and efficiently to serve the large metropolitan Montreal market. National, from its plant at Petrolia, is able similarly to serve the expanding chemical and petro-chemical industries at Sarnia, Ontario and other major southern Ontario markets such as Toronto and Hamilton.

Growth and Expansion

The combined net earnings of the Company, MacDonald and National have increased by 24% in 1961 over 1960, 58% in 1960 over 1959 and 28% in 1959 over 1958. The expansion of the facilities of the Company's subsidiaries during 1961 and the early part of 1962 has increased their overall manufacturing capacity by 75%. To enable it to improve its manufacturing facilities and add new product lines, MacDonald intends in the near future to expand further its manufacturing facilities by building and equipping an additional 14,000 square feet of space at an estimated cost of \$250,000.

The Industry

The steel drum came into use as a primary packaging medium during the 1930s and the last two decades have witnessed substantial growth in the drum industry. The most recent statistics available indicate that the 1959 sales of newly manufactured steel drums in Canada were \$5,887,499 whereas the same sales for 1954 were \$2,963,786. The requirement for both new and reconditioned drums has increased significantly in the past few years and it is anticipated that this demand will continue to increase as the Canadian economy expands.

The Company has pioneered new and modern equipment used in both the manufacturing and reconditioning of drums and its officers have kept abreast of the latest techniques used and developed in both these fields.

Management

The management of the Company has had many years of experience in the industry. Messrs. Jack B. Goodis, President of the Company, William Katz, Vice-President of the Company, and Hyman Katz, Secretary-Treasurer of the Company, have each had at least 25 years experience in the steel drum industry.

Purpose of Issue and Application of Proceeds

The net proceeds from the sale of the Series A Bonds, the Shares and the Share Purchase Warrants offered by this prospectus will be used to: (i) pay the balance of the Company's obligations for the purchase price of the shares of National acquired in 1960; (ii) retire the indebtedness of the Company and its subsidiaries to Industrial Development Bank; (iii) reduce the indebtedness of the Company and its subsidiaries to their bankers; (iv) pay the redemption price of certain preferred shares of the Company and its subsidiaries redeemed since December 31, 1961; (v) provide moneys for MacDonald's expansion programme referred to above; and (vi) provide additional working capital.

Statement of Combined Earnings of National Containers Limited (formerly Standard Barrels and Drums Inc.) and its Subsidiaries National Steel Drum Ltd. and MacDonald Drums Mfg. Corporation for the fiscal periods ending in 1952 to 1961, inclusive (Notes 2, 3, 4, 5 and 6)

Fiscal period ending in the year (Notes 2, 3, 4, 5 and 6)	Net Sales	Earnings before Depreciation, interest on Loans and Mortgages, and Income Taxes	Interest on Loans and Mortgages	Earnings before Depreciation and Income Taxes	Depreciation	Earnings before Income Taxes	Income Taxes	Net Earnings
1952.....	\$ 714,450	\$ 72,598	\$ 6,963	\$ 65,635	\$ 34,164	\$ 31,471	\$ 14,878	\$ 16,593
1953.....	562,835	41,073	5,112	35,961	26,464	9,497	1,963	7,534
1954.....	829,298	105,858	13,779	92,079	64,395	27,684	6,657	21,027
1955.....	1,279,533	144,326	37,589	106,737	85,996	20,741	5,254	15,487
1956.....	1,951,538	255,384	35,461	219,923	146,941	72,982	21,090	51,892
1957.....	2,301,343	269,605	33,206	236,399	128,181	108,218	36,760	71,458
1958.....	2,373,124	291,757	29,885	261,872	115,326	146,546	57,609	88,937
1959.....	2,581,864	356,351	31,748	324,603	128,362	196,241	83,181	113,060
1960.....	3,494,313	445,085	31,186	413,899	91,733	322,166	143,278	178,888
Fiscal period ending December 31 1961.....	3,309,343	457,882	41,803	416,079	77,589	338,490	115,369	223,121

NOTES:

1. This statement reflects the combined operations of National Containers Limited, MacDonald Drums Mfg. Corporation and National Steel Drum Ltd., after giving effect to inter-company eliminations.
2. MacDonald Drums Mfg. Corporation commenced operations in April 1953, its first fiscal year ended on March 31, 1954 and it became a wholly-owned subsidiary of National Containers Limited on February 1, 1962; National Steel Drum Ltd. commenced operations in September 1954, its first fiscal year ended on August 31, 1955 and it became a wholly-owned subsidiary of National Containers Limited on March 28, 1960.
3. For the years 1952 and 1953 the statement reflects the earnings of National Containers Limited for its fiscal years ending on January 31.
4. For the year 1954 the statement reflects the fiscal year ends as follows:
 - (a) National Containers Limited January 31
 - (b) MacDonald Drums Mfg. Corporation March 31
5. For the years 1955, 1956, 1957, 1958, 1959 and 1960 the statement reflects the fiscal year ends of the companies as follows:
 - (a) National Containers Limited January 31
 - (b) MacDonald Drums Mfg. Corporation March 31
 - (c) National Steel Drum Ltd. August 31
6. 1961 reflects the first full year's operations of all the companies with a similar year end (December 31).
7. For taxation years 1959, 1960 and 1961 National Containers Limited and MacDonald Drums Mfg. Corporation were considered related for Income Tax purposes.
8. The companies adopted a uniform depreciation policy in respect of their fiscal years ending on December 31, 1960 and 1961.
9. The companies changed their fiscal year end to December 31 in 1960; the following statement reflects the following operational periods in 1960: (a) National Containers Limited, 11 months; (b) MacDonald Drums Mfg. Corporation, 9 months and (c) National Steel Drum Ltd., 4 months.

Net Sales	Earnings before Depreciation, interest on Loans and Mortgages, and Income Taxes	Interest on Loans and Mortgages	Earnings before Depreciation and Income Taxes	Depreciation	Earnings before Income Taxes	Income Taxes	Net Earnings
\$2,246,001	\$263,123	\$31,759	\$231,364	\$63,865	\$167,499	\$69,572	\$97,927

Auditors' Report

To the Directors
NATIONAL CONTAINERS LIMITED

We have examined the accompanying statement of combined earnings of National Containers Limited and its subsidiary companies, for the fiscal periods ending in 1952 to 1961, inclusive. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

The statement of combined earnings has been prepared from the certified statements of National Containers Limited and MacDonald Drums Mfg. Corporation which have been audited by us and from the certified statements of National Steel Drum Ltd. which have been audited by Messrs. Perlmutter, Orenstein, Giddens, Newman & Co., Chartered Accountants.

In our opinion, the accompanying statement, supplemented by the notes thereto, presents fairly the combined earnings of National Containers Limited and its subsidiary companies for the fiscal periods ending in 1952 to 1961, inclusive.

Montreal, Quebec.
March 9, 1962

(signed) MATTHEWS, HOFFMAN & Co.
Chartered Accountants

Maximum Annual Interest Requirements

Maximum annual interest requirements on the Series A Bonds will amount to \$65,000. Earnings (after deduction of operating expenses, interest on loans and mortgages and provision for depreciation, but before provision for income taxes) based on the accompanying Statement of Combined Earnings of the Company, MacDonald and National for the 3 full twelve month fiscal periods ended December 31, 1961 average \$285,632 which is more than 4.3 times the said maximum annual interest requirements. Earnings, on the aforesaid basis, for the fiscal period ended December 31, 1961 were \$338,490 which is more than 5.2 times the said maximum annual interest requirements.

Capitalization

(after giving effect to the present financing)

	<u>Authorized</u>	<u>Issued</u>
First Mortgage Bonds (Note 1)		
6½% First Mortgage Sinking Fund Bonds Series A . .	\$1,000,000	\$1,000,000
Shares of the par value of \$1	1,000,000 shares (Note 2)	600,000 shares

NOTE 1. The Trust Deed securing the First Mortgage Bonds of the Company does not impose any fixed limitation on the amount of Bonds issuable thereunder and provides that Additional Bonds may be issued from time to time thereunder subject to certain restrictions as summarized under the section headed "Issue of Additional Bonds" on page 6 hereof.

NOTE 2. 80,000 shares will be reserved for issue upon the exercise of Share Purchase Warrants.

Share Purchase Warrants will be delivered;

- (i) in respect of 40,000 shares to the purchasers of the Series A Bonds on the basis of 4 Share Purchase Warrants for each \$100 principal amount of Series A Bonds;
- (ii) in respect of 10,000 shares to the Underwriters referred to in paragraph 16 of the Statutory Information forming part of this prospectus; and
- (iii) in respect of 30,000 shares to executive officers of the Company.

Assets

The Consolidated Balance Sheet of the Company and its subsidiary, National, as at December 31, 1961 and the Pro Forma Consolidated Balance Sheet of the Company and its subsidiaries, MacDonald and National, as at the same date which gives effect to the present financing, both reported upon by the Company's Auditors Messrs. Matthews, Hoffman & Co., are attached hereto. According to the said Pro Forma Consolidated Balance Sheet the consolidated net tangible assets referable to the Series A Bonds are:

Current Assets	\$1,450,219	
Less: Current Liabilities	\$ 616,014	
Net Current Assets		\$ 834,205
Fixed Assets:		
Lands and buildings, machinery and equipment at replacement value new less observed depreciation as appraised by Canadian Appraisal Company, Limited, as of December 31, 1960, together with assets of \$31,387 which were not included in the said appraisal at net depreciated value and subsequent additions at cost, less disposals	\$1,989,018	
Less: Depreciation for the year ended December 31, 1961	\$ 77,589	
Net Fixed Assets		\$1,911,429
Net Tangible Assets		<u>\$2,745,634</u>

On the basis of the foregoing consolidated net tangible assets per \$100 principal amount of Series A Bonds to be outstanding amount to \$274.

Security for the Bonds

The \$1,000,000 aggregate principal amount of 6½% First Mortgage Sinking Fund Bonds Series A (herein called the "Series A Bonds") of the Company offered by this prospectus will be direct obligations of the Company and will be issued pursuant to a Deed of Trust and Mortgage and a Trust Deed of hypothec, mortgage and pledge (hereinafter collectively referred to as the "Trust Deed") each to be dated as of March 15, 1962 and to be entered into between the Company and Montreal Trust Company, as Trustee. The Series A Bonds will, in the opinion of counsel, be secured subject to permitted encumbrances and minor title defects, by;

- (a) a first fixed and specific mortgage, hypothec, pledge or charge of and upon
 - (i) all the real and immovable freehold and leasehold properties (excluding the last day of any term) and rights and interests therein now owned by the Company,
 - (ii) all the outstanding shares (other than directors' qualifying shares) of MacDonald Drums Mfg. Corporation and all the outstanding shares of National Steel Drum Ltd.; and
- (b) a first floating charge under the laws of the Provinces of Quebec and Ontario upon all other present and future property and assets of the Company and upon its undertaking.

MacDonald and National will each enter into an Agreement of Guarantee with the Trustee to be dated as of March 15, 1962 pursuant to which each will guarantee unconditionally the due and punctual payment of the principal of and premium, if any, and interest on the Bonds from time to time outstanding under the Trust Deed and all other payments from time to time required to be made by the Company under the terms of the Trust Deed. The due and punctual performance of the obligations of MacDonald and National under the respective Agreements of Guarantee will be secured, subject to permitted encumbrances and minor title defects, by;

- (a) a first fixed and specific mortgage, hypothec, pledge or charge of and upon all the real and immovable freehold and leasehold properties (excluding the real and immovable freehold property hereinafter referred to and the last day of any term) and rights and interests therein now owned by MacDonald and National respectively; and
- (b) a first floating charge under the laws of the Provinces of Quebec and Ontario upon all the other present and future property and assets of MacDonald and National and upon their undertakings.

The first fixed and specific mortgages, hypothecs, pledges or charges above mentioned are to be expressed to be applicable to all real and immovable freehold and leasehold properties (excluding the last day of any term) and rights and interests therein hereafter acquired by the Company or MacDonald or National, as the case may be.

There will be excepted from the said security under the Agreement of Guarantee to be entered into by MacDonald certain real and immovable freehold property located on Aqueduct Street in Montreal and presently owned by MacDonald which is considered unnecessary for the operation of MacDonald's business. The said real and immovable freehold property was not included in the appraisal hereinbefore referred to and is carried on MacDonald's books of account at cost, less depreciation, of \$22,207.

Neither the Trust Deed nor the Agreements of Guarantee will hinder or prevent the Company or any Restricted Subsidiary from giving or assuming Purchase Money Obligations.

The Trust Deed and every Agreement of Guarantee will contain provisions entitling the Company and its Restricted Subsidiaries to obtain the release from the specific mortgage, hypothec, pledge or charge of property subject thereto upon compliance with provisions to be contained in the Trust Deed and the Agreements of Guarantee which in general will require the substitution therefor of other property having at least equal value or the deposit with the Trustee of all proceeds of sale of the property so released to be applied from time to time on the direction of the Company either in whole or in part (a) to reimburse the Company to the extent of the cost of Property Additions or (b) to purchase or redeem First Mortgage Bonds for cancellation. The Trust Deed will also contain other provisions enabling the Trustee in its discretion to concur in the release of or other dealings with the mortgaged premises which are not, in its opinion, prejudicial to the bondholders.

The Trust Deed and every Agreement of Guarantee will provide that the Company and its Restricted Subsidiaries may without the consent of the Trustee sell or transfer any part of the property subject to the first fixed and specific mortgage, hypothec, pledge or charge thereof to or among themselves provided that such property shall remain subject to a first fixed and specific mortgage, hypothec, pledge or charge to and in favour of the Trustee for the benefit of the holders of the Bonds.

Certain Covenants

The Company will covenant in the Trust Deed substantially to the effect that, so long as any of the Series A Bonds are outstanding;

(a) it will not permit any Restricted Subsidiary to create, incur, assume, guarantee or have outstanding any indebtedness, except indebtedness to or of the Company or to a trustee in support of a guarantee of indebtedness of the Company, provided that such covenant shall not apply to (i) Purchase Money Obligations or (ii) indebtedness incurred in the ordinary course of business and for the purpose of carrying on the same, to any bank or banks or any other person, firm or corporation, repayable on demand or maturing, including any right of extension or renewal, within 18 months of the date when such indebtedness is incurred, provided such indebtedness is not secured on fixed assets;

(b) it will not dispose of any indebtedness of a Restricted Subsidiary held by or for the Company;

(c) it will not permit any Restricted Subsidiary to issue any shares except to the Company;

(d) it will not create or issue any series of Additional Bonds maturing earlier than March 15, 1977, except Bonds maturing serially;

(e) the aggregate amount payable by way of serial maturities and/or mandatory sinking fund payments (which in the case of a sinking fund payment to retire a specified principal amount shall for the purposes of this clause be deemed to be the principal amount so to be redeemed) in any year in respect of any issue of Additional Bonds shall not bear a higher ratio to the aggregate principal amount of the Additional Bonds of such issue than the ratio borne by \$70,000 to the principal amount of Series A Bonds outstanding at the date of issue of such Additional Bonds unless the annual mandatory sinking fund payments in respect of the Series A Bonds are increased to the extent necessary to insure that in such year such payments will bear the same ratio to the principal amount of Series A Bonds outstanding at the date of issue of such Additional Bonds as the aggregate amount payable by way of serial maturities and/or mandatory sinking fund payments in respect of the Additional Bonds of such issue in such year is of the aggregate principal amount of the Additional Bonds of such issue;

(f) it will not declare or pay cash dividends on any of its shares at any time outstanding, or redeem, reduce, purchase or retire any of its shares at any time outstanding (except out of the proceeds of an issue of its shares made prior to, or concurrently with, any such redemption, reduction, purchase or retirement, or except in exchange for any of its shares) or any Funded Obligations (except at maturity or by way of mandatory retirement provision or for the purpose of refunding such Funded Obligations) unless immediately after giving effect thereto the Consolidated Net Current Assets of the Company and its Restricted Subsidiaries shall be not less than \$500,000.

Issue of Additional Bonds

The Trust Deed will provide for the issue of additional Bonds (herein called "Additional Bonds") without limitation as to aggregate principal amount except that;

(a) Additional Bonds shall only be issued if the Average of Consolidated Net Earnings of the Company and its then Restricted Subsidiaries, for any 2 of the 3 fiscal years of the Company next preceding the date of application for certification of such Additional Bonds which shall have been selected by the Company, shall have been at least 3 times the annual interest requirements in respect of all Bonds to be outstanding under the Trust Deed after the issue of such Additional Bonds and after any retirements of First Mortgage Bonds to be made out of the proceeds thereof;

(b) Additional Bonds shall only be issued to a principal amount not exceeding 66⅔% of the cost or Fair Value (at the time of application for certification of the Additional Bonds), whichever is less, of Property Additions acquired after December 31, 1961 by the Company and its present Restricted Subsidiaries or Property Additions whenever acquired of any other Restricted Subsidiary.

Subject to compliance with the above provision relating to Average of Consolidated Net Earnings, the Trust Deed will provide also for the issue of Additional Bonds in anticipation of the acquisition thereafter of Property Additions by the Company or a Restricted Subsidiary if an amount equal to the principal amount of such Bonds is deposited with the Trustee to be paid out from time to time to the extent of 66⅔% of the sums from time to time paid on account of the cost of such Property Additions.

The Trust Deed will provide also for the issue of Additional Bonds to a principal amount not exceeding the principal amount then outstanding of the Bonds of any series previously issued, the whole of which series has then been called for redemption, such Additional Bonds to be issuable for such purpose without compliance with the above requirements relating to Property Additions and Average of Consolidated Net Earnings, and no Property Additions shall be deemed to have been used as the basis for such refunding issue.

Subject to the foregoing covenants and provisions the Trust Deed will provide that Additional Bonds may be issued in one or more series, bearing interest at such rate or rates, payable as to principal or interest or both in such one or more currencies at such rate or rates of exchange, bearing such date or dates, maturing in such year or years, redeemable before maturity at such time or times with or without payment of a premium, secured by such sinking fund or sinking funds or without any sinking fund and subject to such rights of purchase by the Company and to such other conditions, all as shall be determined by resolution of the Directors passed at or prior to the issue thereof, but all Bonds at any time issued under the Trust Deed will rank *pari passu* and be equally and ratably secured under the Trust Deed, except as to sinking funds pertaining exclusively to any particular series of Bonds.

Definitions

The Trust Deed will contain definitions, among others, substantially as follows:

"Restricted Subsidiary" means (a) MacDonald Drums Mfg. Corporation and National Steel Drum Ltd. so long as all the outstanding capital stock of each of said companies (other than directors' qualifying shares) continue to be owned by the Company and to be subject to the lien of the Trust Deed as part of the specifically mortgaged premises thereunder; and (b) any other corporation, company or organization, all the outstanding capital stock of which (other than directors' qualifying shares) is owned by the Company, provided that the Company shall have, by resolution of its directors, designated such other corporation, company or organization as a Restricted Subsidiary and shall have subjected all the capital stock thereof so owned by the Company to the lien of the Trust Deed as part of the specifically mortgaged premises thereunder, and all such outstanding capital stock is still owned by the Company and subject to such lien as part of the specifically mortgaged premises.

"Purchase Money Obligations" means any mortgages, hypothecs, charges, vendors privileges, vendors liens, or other encumbrances upon property, given or assumed or arising by operation of law, to provide or secure the whole or any part of the consideration for the acquisition of such property and includes renewals, refundings and extensions not in excess of the principal amount thereof immediately prior to such renewal, refunding or extension.

"Property Additions" means and includes the following property owned by the Company or a Restricted Subsidiary; (a) all real and immovable property including (without limitation) lands, buildings and other erections, and all easements, licences, privileges, benefits and other rights or interests of any kind or nature whatsoever in or in respect of real and immovable property; (b) all plant, machinery, equipment, fixtures and apparatus of a fixed or permanent nature; and (c) all additions and improvements of a permanent nature to or of any property of such nature; but shall not mean or include;

(i) property installed or erected on leasehold lands held under lease for a term (including rights of renewal) which expires earlier than three years after the last maturity of any series of Additional Bonds to be issued on the basis of such property unless there is a right to remove such property from the said lands and the same is so removable without substantially destroying the value thereof, or unless, if such

property may not be so removed, the Company or such Restricted Subsidiary, as the case may be, shall be entitled to receive upon the termination of the term of such lease such sum in compensation therefor as such property upon such leasehold lands shall then be worth;

(ii) maintenance, repairs or other expenditures of a nature not properly chargeable to capital account;

(iii) property to the extent that it shall have been used as the basis for release of any property or the issue of any Additional Bonds or the withdrawal of any moneys from the Trustee under any provisions of the Trust Deed or which shall have been purchased or acquired with any insurance money or proceeds of any property released by the Trustee;

(iv) renewals, replacements or substitutions except to the extent that the actual cost thereof to the Company or such Restricted Subsidiary or the Fair Value thereof, whichever is less, exceeds the amount realized for the property renewed or replaced or for which such substitution was made, as the case may be;

(v) property owned by the Company unless, in the opinion of Counsel, such property shall have been validly and effectively subjected to the first fixed and specific mortgage, hypothec, pledge or charge of the Trust Deed and be free from any other lien, charge or encumbrance other than Purchase Money Obligations, permitted encumbrances and minor title defects;

(vi) property owned by a Restricted Subsidiary unless, in the opinion of Counsel, such Restricted Subsidiary shall have validly and effectively guaranteed to the Trustee the performance by the Company of all the Company's obligations under the Trust Deed and shall have supported such guarantee by a valid and effective first fixed and specific mortgage, hypothec, pledge or charge and a first floating charge, respectively upon the like property (then owned or which may thereafter be owned) of such Restricted Subsidiary as the property of the Company charged by the Trust Deed and in the same terms and with like exceptions (all mutatis mutandis) as those of the Trust Deed, all to be contained in an Agreement of Guarantee, in a form substantially similar to a form to be set out in a schedule to the Trust Deed, which shall be entered into by such Restricted Subsidiary in favour of the Trustee.

"Fair Value" or "value" or expressions of like import as applied to any property for any purpose of the Trust Deed shall mean the fair value of such property to the Company or to a Restricted Subsidiary (as the case may be) at the pertinent time, taking into consideration its usefulness to the Company or such Restricted Subsidiary, but not exceeding, in any event, the fair physical replacement value thereof after reasonable allowance for depreciation as at a date not more than 90 days prior to the pertinent date.

"Average of Consolidated Net Earnings" for any specified number of fiscal years of the Company means the aggregate excess, during such specified years, of (i) the gross earnings of the Company and its Restricted Subsidiaries and dividends (other than stock dividends) received from other companies, interest, revenues and other income derived from all sources (exclusive of profits on the disposal or loss of fixed assets and investments and similar non-recurring items) over (ii) all administration, selling, development and operating expenses of every character in connection therewith (exclusive of losses on the disposal or loss of fixed assets and investments and similar non-recurring items, and exclusive of amortization of debt premium, discount and expense), including, but without limiting the generality of the foregoing, insurance premiums, interest (other than interest on Funded Obligations), rentals, fees, payments for licenses, provision for normal depreciation, and taxes (other than income and profits taxes), divided by the number of years specified; all as determined on a consolidated basis in accordance with generally accepted accounting principles and reported upon by the auditors of the Company without, in their opinion, material adverse qualifications.

"Funded Obligations" means an indebtedness, whether by way of bonds (including the Bonds), debentures, debenture stock, notes or otherwise, whether secured or unsecured, the due date of payment of which, including any right of extension or renewal, is 18 months or more after the date of issue or incurring thereof but does not include Purchase Money Obligations.

"Consolidated Current Liabilities" means the aggregate sum of all the liabilities of the Company and its Restricted Subsidiaries including accounts payable, proper reserve for taxes of all kinds, bank loans and overdrafts, accrued interest, dividends (excluding dividends not payable within six (6) months from the date as of which Consolidated Net Current Assets are being determined) and other accrued liabilities required to be treated as current in accordance with generally accepted accounting principles other than;

- (i) liabilities under forward commitments of purchase related to the current operations of the Company and its Restricted Subsidiaries;
- (ii) principal, premium (if any) or sinking fund instalments (if any) in respect of any bonds, debentures or securities issued by the Company or its Restricted Subsidiaries irrespective of the date specified for redemption pursuant to notice of intention to redeem any bonds, debentures or securities issued by the Company or its Restricted Subsidiaries;
- (iii) any other liability maturing more than twelve (12) months from the date as of which Consolidated Net Current Assets are being determined;
- (iv) reserves to the extent that they are not required to provide for a reduction in the value of a current asset or to provide for a liability maturing within twelve (12) months;
- (v) liabilities to shareholders in respect of capital stock and surplus; and
- (vi) any other liabilities which, in accordance with generally accepted accounting principles, should not be included in current liabilities.

"Consolidated Current Assets" means the aggregate sum of the following assets of the Company and its Restricted Subsidiaries;

- (i) cash, call loans, deposits and other items which are the equivalent of cash;

- (ii) accounts and bills and notes receivable if payable on demand or within twelve (12) months (less such reserves for possible losses in the collection thereof as the directors in their discretion, with the approval of the Company's auditors, may determine);
- (iii) accrued interest receivable, dividends declared (other than dividends declared by subsidiary companies) and receivable within sixty (60) days and rents and royalties receivable if payable within twelve (12) months (less such reserves for possible losses in the collection thereof as the directors in their discretion, with the approval of the Company's auditors, may determine);
- (iv) shares listed on a recognized stock exchange and bonds, debentures, debenture stock and other obligations having, in the opinion of the Company's auditors, a recognized quoted market (other than those issued by the Company or any subsidiary) valued at market;
- (v) prepaid interest, insurance, rents, taxes and similar prepaid expenses;
- (vi) the refundable portion of any taxes repayable within one (1) year from the date as of which Consolidated Net Current Assets are being determined;
- (vii) the cash surrender value of life insurance policies payable to the Company or a Restricted Subsidiary; and
- (viii) any other assets which in accordance with generally accepted accounting principles may properly be grouped as current assets, exclusive of any moneys held by the Trustee for sinking fund purposes.

"Consolidated Net Current Assets" means the excess of Consolidated Current Assets over Consolidated Current Liabilities.

Redemption

The Series A Bonds will be redeemable otherwise than out of sinking fund moneys at the option of the Company in whole at any time or in part from time to time after September 15, 1962 on not less than thirty days notice at the principal amount thereof plus a premium of $6\frac{1}{2}\%$ of the principal amount thereof if redeemed on or before March 15, 1964 and thereafter the said premium decreasing by $\frac{1}{2}$ of 1% of the principal amount thereof for each year commenced or elapsed from March 15, 1964 to the date specified for redemption up to and including March 15, 1976 and thereafter and prior to maturity at the principal amount thereof, together in each case with accrued interest to the date specified for redemption. Notwithstanding the foregoing, the Series A Bonds may not be redeemed prior to March 15, 1973 directly or indirectly as part of, or in anticipation of, any refunding operation involving the incurring of indebtedness which has a net interest cost to the Company, computed in accordance with generally accepted financial practice, of $6\frac{1}{2}\%$ per annum or less.

Sinking Fund

The Company will covenant in the Trust Deed to pay to the Trustee, as and by way of a sinking fund for the Series A Bonds, an amount sufficient to retire \$70,000 principal amount of Series A Bonds on March 15 in each of the years 1964 to 1976 inclusive. Series A Bonds will be redeemable out of sinking fund moneys at the principal amount thereof together with accrued interest to the date specified for redemption. The Company will have the right to purchase Series A Bonds in the market or by private contract at prices not exceeding the redemption price in effect at the time of purchase for Series A Bonds redeemed otherwise than out of sinking fund moneys plus accrued interest and costs of purchase. All Series A Bonds purchased or redeemed otherwise than out of sinking fund moneys shall, notwithstanding the cancellation thereof, be available to the Company as a sinking fund credit which at the election of the Company may be applied (to the extent not theretofore applied) in amounts of \$100 or multiples thereof in whole or in part against required sinking fund payments payable thereafter.

Series A Bonds redeemed or purchased are to be cancelled and not re-issued.

Share Purchase Warrants

The Company proposes to issue 80,000 Share Purchase Warrants of which 40,000 will form part of the Units offered by this prospectus. Each Share Purchase Warrant will entitle the holder thereof to purchase at any time after September 15, 1962 and up to and including March 15, 1969 one share of the par value of \$1 in the capital of the Company at a price, payable in cash, of \$4.50 per share after September 15, 1962 and up to and including March 15, 1964 and thereafter at a price of \$4.75 per share up to and including March 15, 1966 and thereafter at a price of \$5.00 per share up to and including March 15, 1969. The Share Purchase Warrants will be void after March 15, 1969.

The Share Purchase Warrants are to be issued under and pursuant to an indenture (hereinafter referred to as the "Share Purchase Warrant Indenture") to be dated as of March 15, 1962 and to be entered into between the Company and Canada Permanent Toronto General Trust Company, as Trustee. The Share Purchase Warrant Indenture will contain provisions for adjustment of the number of shares issuable pursuant to the privilege attaching to the Share Purchase Warrants in the event of any subdivision or consolidation of the shares in the capital of the Company or in the event of the merger or amalgamation of the Company with or into another corporation or the sale or transfer of its assets as a whole or substantially as a whole or in the event of the issue of any shares in the capital of the Company below certain specified prices. In addition, the Company will covenant in the Share Purchase Warrant Indenture to give at least 30 days public notice to holders of unexercised Share Purchase Warrants of the record date for payment of any stock dividend on its shares and before issuing to its shareholders pro rata rights to subscribe for additional shares or making any repayment of capital on its shares.

Deposit of Shares and Share Purchase Warrants

The 150,000 Shares and 40,000 Share Purchase Warrants forming part of the Units will be deposited with Montreal Trust Company as Depositary pursuant to a Deposit Agreement to be dated as of March 15, 1962 and to be made between the Company and Montreal Trust Company. The Deposit Agreement will provide that:

- (a) Forthwith after the close of business on May 15, 1962 the Depositary will mail to each registered holder of a fully registered Series A Bond of record at the close of business on May 15, 1962, 15 Shares for each \$100 principal amount of Series A Bonds held by him at such record date.
- (b) After May 15, 1962 the Depositary will deliver to the bearer of the certificate to be attached to each coupon Series A Bond upon the surrender of such certificate to it the number of Shares referred to in said certificate being at the rate of 15 Shares for each \$100 principal amount of the coupon Series A Bond to which said certificate was attached.
- (c) Forthwith after the close of business on September 15, 1962 the Depositary will mail to each registered holder of a fully registered Series A Bond of record at the close of business on September 15, 1962, 4 Share Purchase Warrants for each \$100 principal amount of Series A Bonds held by him at such record date.
- (d) After September 15, 1962 the Depositary will deliver to the bearer of the certificate to be attached to each coupon Series A Bond upon the surrender of such certificate to it the number of Share Purchase Warrants referred to in said certificate being at the rate of 4 Share Purchase Warrants for each \$100 principal amount of the coupon Series A Bond to which said certificate was attached.

Statement of Combined Earnings of National Containers Limited (formerly Standard Barrels and Drums Inc.) and its Subsidiary National Steel Drum Ltd. (excluding its Subsidiary MacDonald Drums Mfg. Corporation, acquired subsequent to December 31, 1961) for the fiscal periods ending in 1952 to 1961, inclusive (Notes 2, 3, 4 and 5)

Fiscal period ending in the year (Notes 2, 3, 4 and 5)	Net Sales	Earnings before Depreciation, interest on Loans and Mortgages, and Income Taxes	Interest on Loans and Mortgages	Earnings before Depreciation and Income Taxes	Depreciation	Earnings before Income Taxes	Income Taxes	Net Earnings
1952.....	\$ 714,450	\$ 72,598	\$ 6,963	\$ 65,635	\$ 34,164	\$ 31,471	\$ 14,878	\$ 16,593
1953.....	562,835	41,073	5,112	35,961	26,464	9,497	1,963	7,534
1954.....	637,538	76,013	10,322	65,691	47,336	18,355	4,194	14,161
1955.....	1,048,824	114,490	32,034	82,456	66,353	16,103	3,807	12,296
1956.....	1,763,332	222,349	31,098	191,251	132,739	58,512	18,064	40,448
1957.....	2,017,516	235,379	29,221	206,158	114,160	91,998	33,402	58,596
1958.....	1,912,526	245,214	26,272	218,942	99,644	119,298	47,492	71,806
1959.....	1,962,103	273,189	19,126	254,063	92,034	162,029	69,395	92,634
1960.....	1,764,076	264,566	15,781	248,785	60,247	188,538	83,213	105,325
Fiscal period ending December 31 1961.....	1,986,591	266,780	27,539	239,241	54,044	185,197	53,675	131,522

NOTES:

1. This statement reflects the combined operations of National Containers Limited and National Steel Drum Ltd., after giving effect to inter-company eliminations.
2. National Steel Drum Ltd. commenced operations in September 1954, its first fiscal year ended on August 31, 1955 and it became a wholly-owned subsidiary of National Containers Limited on March 28, 1960.
3. For the years 1952, 1953 and 1954 the statement reflects the earnings of National Containers Limited for its fiscal years ending January 31.
4. For the years 1955, 1956, 1957, 1958, 1959 and 1960 the statement reflects the fiscal year ends of the companies as follows:
 - (a) National Containers Limited January 31
 - (b) National Steel Drum Ltd. August 31
5. 1961 reflects the first full year's operations of both companies with a similar year end (December 31).
6. The companies adopted a uniform depreciation policy in respect of their fiscal years ending on December 31, 1960 and 1961.
7. The companies changed their fiscal year end to December 31 in 1960; the following statement reflects the following operational periods in 1960: (a) National Containers Limited, 11 months; and (b) National Steel Drum Ltd., 4 months.

Net Sales	Earnings before Depreciation, interest on Loans and Mortgages, and Income Taxes	Interest on Loans and Mortgages	Earnings before Depreciation and Income Taxes	Depreciation	Earnings before Income Taxes	Income Taxes	Net Earnings
\$ 994,583	\$124,292	\$19,891	\$104,401	\$ 40,234	\$ 64,167	\$ 22,210	\$ 41,957

Auditor's Report

To the Directors
NATIONAL CONTAINERS LIMITED

We have examined the accompanying statement of combined earnings of National Containers Limited and its subsidiary company, National Steel Drum Ltd., for the fiscal periods ending in 1952 to 1961, inclusive. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

The statement of combined earnings has been prepared from the certified statements of National Containers Limited which have been audited by us and from the certified statements of National Steel Drum Ltd. which have been audited by Messrs. Perlmutter, Orenstein, Giddens, Newman & Co., Chartered Accountants.

In our opinion, the accompanying statement, supplemented by the notes thereto, presents fairly the combined earnings of National Containers Limited and its subsidiary, National Steel Drum Ltd. for the fiscal periods ending in 1952 to 1961, inclusive.

Montreal, Quebec.
March 9, 1962.

(signed) MATTHEWS, HOFFMAN & CO.
Chartered Accountants

Consolidated Balance Sheet of
National Containers Limited (formerly Standard Barrels and Drums Inc.) and its Subsidiary
National Steel Drum Ltd. as at December 31, 1961

Pro Forma Consolidated Balance Sheet of
National Containers Limited (formerly Standard Barrels and Drums Inc.) and its Subsidiaries
National Steel Drum Ltd. and MacDonald Drums Mfg. Corporation
as at December 31, 1961

Assets	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet Note 1
CURRENT:		
Cash on hand and in bank.....		\$ 566,878
Accounts receivable.....	\$ 147,055	235,932
Inventory — valued at lower of cost or market.....	415,736	636,976
Prepaid Expenses and deposits.....	8,107	10,433
	<u>\$ 570,898</u>	<u>\$1,450,219</u>
INVESTMENTS AND ADVANCES:		
Shares at cost (Note 2).....	\$ 40,300	
Receivable from affiliated company.....	95,320	
	<u>\$ 135,620</u>	
FIXED:		
Land, buildings, machinery, equipment, rolling stock (Note 3).....	\$1,418,959	\$1,989,018
Less Depreciation for the year ended December 31, 1961.....	54,044	77,589
	<u>\$1,364,915</u>	<u>\$1,911,429</u>
OTHER:		
Goodwill (Note 4).....	\$ 19,925	\$ 18,868
Debenture discount and other financing expenses.....		104,000
		<u>\$ 122,868</u>
	<u>\$2,091,358</u>	<u>\$3,484,516</u>
Liabilities		
CURRENT:		
Bank overdraft (secured).....	\$ 274,594	
Accounts payable and accrued expenses.....	306,771	\$ 432,692
Bank loan (secured).....	80,194	119,794
Provision for income taxes.....	29,035	63,528
	<u>\$ 690,594</u>	<u>\$ 616,014</u>
LONG TERM DEBT:		
Industrial Development Bank Loan (secured).....	\$ 226,000	
6½% First Mortgage Sinking Fund Bonds Series A (Note 8).....		\$1,000,000
Vendors payable.....	224,852	
	<u>\$ 450,852</u>	<u>\$1,000,000</u>
Minority interest in subsidiaries (Note 5).....	<u>\$ 30,000</u>	<u>\$ 30</u>
SHAREHOLDERS' EQUITY:		
Capital stock (Notes 6 and 9) —		
Common shares.....	\$ 66,000	\$ 600,000
Preferred shares.....	81,000	
Contributed surplus (Note 7).....		495,560
Excess of appraised value of fixed assets over depreciated cost (Note 3)	347,267	347,267
Retained earnings.....	425,645	425,645
	<u>\$ 919,912</u>	<u>\$1,868,472</u>
Approved on behalf of the Board:	<u>\$2,091,358</u>	<u>\$3,484,516</u>
(signed) JACK GOODIS Director	(signed) HYMAN KATZ Director	

The accompanying notes are an integral part of these Balance Sheets.

To the Directors,
NATIONAL CONTAINERS LIMITED.

Auditors' Report

We have examined the consolidated balance sheet of National Containers Limited and its subsidiary company National Steel Drum Ltd. as at December 31, 1961 and pro forma consolidated balance sheet of National Containers Limited and its subsidiary companies, MacDonald Drums Mfg. Corporation and National Steel Drum Ltd., as at December 31, 1961. We have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The consolidated balance sheet and pro-forma consolidated balance sheet have been prepared from the certified balance sheets of National Containers Limited and MacDonald Drums Mfg. Corporation, which have been audited by us and from the certified balance sheet of National Steel Drum Ltd. which has been audited by Messrs. Perlmutter, Orenstein, Giddens, Newman & Co., Chartered Accountants.

In our opinion, the accompanying consolidated balance sheet of National Containers Limited and its subsidiary company, National Steel Drum Ltd. when read in conjunction with the notes thereto, is properly drawn up so as to present fairly the consolidated financial position of the companies as at December 31, 1961 according to the best of our information and the explanations given to us and as shown by the books of the companies.

In our opinion, the accompanying pro-forma consolidated balance sheet of National Containers Limited and its subsidiary companies, MacDonald Drums Mfg. Corporation and National Steel Drum Ltd., when read in conjunction with the notes thereto, also presents fairly the consolidated financial position of the companies as at December 31, 1961, after giving effect to the proposed changes and transactions set forth in Notes to the balance sheets.

Montreal, Quebec.
March 9, 1962

(signed) MATTHEWS, HOFFMAN & CO.
Chartered Accountants.

Notes to Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet

1. The pro forma consolidated balance sheet gives effect as at December 31, 1961 to the following:
 - (a) The issue to the Company of supplementary letters patent dated January 30, 1962 changing the name of the Company from Standard Barrels and Drums Inc. to National Containers Limited, cancelling the 10,000 authorized preferred shares of the par value of \$10 each (of which 8,100 had been previously issued and redeemed) and changing the 1,000 common shares of the par value of \$100 each into 1,000 shares without nominal or par value.
 - (b) The purchase by the Company of 996 common shares of MacDonald Drums Mfg. Corporation for a price of \$452,060 satisfied by the issue of 340 shares without nominal or par value in the capital of the Company.
 - (c) The issue to the Company of supplementary letters patent dated February 12, 1962 subdividing and converting the 1,000 issued shares without nominal or par value into 450,000 issued shares of the par value of \$1.00 each and the creation of an additional 550,000 shares of the par value of \$1.00 each.
 - (d) The issue and sale pursuant to an underwriting agreement dated March 9, 1962 of (i) \$1,000,000 aggregate principal amount of 6½% First Mortgage Sinking Fund Bonds Series A and 40,000 share purchase warrants for \$940,000 and (ii) 150,000 shares of the par value of \$1.00 each for \$577,500. The Company is obligated under the underwriting agreement to issue to the underwriters an additional 10,000 share purchase warrants.
 - (e) The payment of the following liabilities of the Company and its subsidiaries (i) the balance of the purchase price of shares in the capital stock of National Steel Drum Ltd. in the amount of \$224,852 and accrued interest, (ii) the indebtedness of the Company and its subsidiaries to Industrial Development Bank in the amount of \$240,000 (principal \$226,000 and premium \$14,000) and accrued interest.
 - (f) The redemption by the Company and its subsidiaries of all outstanding preferred stock of the Company and its subsidiaries and the payment of the redemption price aggregating \$171,010 which sum includes an amount of \$40,000 received by the Company on the redemption of preferred shares of MacDonald Drums Mfg. Corporation owned by the Company and eliminated on consolidation.
 - (g) The payment of bank overdraft in the amount of \$324,759.
 - (h) The payment of financing expenses estimated at \$44,000 including an amount of \$14,000 being the premium payable in respect of the retirement of the indebtedness of the Company and its subsidiaries to Industrial Development Bank.
2. Investments of \$40,300 represent the cost of 4,000 preferred shares of MacDonald Drums Mfg. Corporation of the par value of \$10 each and 3 common shares of that company of the par value of \$10 each.
3. Land, buildings, machinery, equipment and rolling stock of the Company and its subsidiaries are valued in accordance with an appraisal made by Canadian Appraisal Company Limited as of December 31, 1960 at the then present value \$1,583,000, based on cost of replacement less observed depreciation, plus subsequent additions at cost, less disposals. Certain assets not included in the appraisal have been value at \$31,387 being cost less accumulated depreciation. The excess of appraisal value of fixed assets of the Company over net depreciated cost thereof as of December 31, 1960 amounted to \$347,267.
4. Goodwill represents (i) the excess, \$6,250, of the purchase price paid by the Company over book value on the acquisition by the Company of all of the assets of Standard Barrels and Drums in January, 1946, (ii) the excess, \$13,675, of the purchase price of the shares of National Steel Drum Ltd. over the book value thereof after giving effect to an increase in the book value of the fixed assets based on the appraisal referred to above amounting to \$207,543, (iii) less the excess, \$1,057, of the book value of MacDonald Drums Mfg. Corporation over the purchase price paid by the Company for shares of that company, including in said book value the increase in the book value of the fixed assets based on the appraisal referred to above amounting to \$150,703.
5. Minority interest in subsidiaries as at December 31, 1961 consisted of 30,000 preferred share of the par value of \$1.00 each in the capital stock of National Steel Drum Ltd. which said preferred shares have subsequently been redeemed. The minority interest in subsidiaries reflected on the pro forma consolidated balance sheet consists of 3 common shares of MacDonald Drums Mfg. Corporation of the par value of \$10 each held by the directors of that company. The Company has a 20 year option to purchase said shares at the price of \$10 each.
6. Details of the capital stock of the Company are as follows:

Consolidated balance sheet:		
Authorized	— 10,000 5% non-participating, non-voting redeemable preferred shares of the par value of \$10 each	
	1,000 common shares of the par value of \$100 each	
Issued	— 8,100 preferred shares.....	\$ 81,000
	660 common shares.....	\$ 66,000
Pro forma consolidated balance sheet:		
Authorized	— 1,000,000 shares of the par value of \$1 each	
Issued	— 600,000 shares.....	\$600,000
7. Contributed surplus arises from
 - (a) the conversion of 1,000 shares without nominal or par value originally issued for an aggregate consideration of \$518,060 into 450,000 shares of the par value of \$1 each.....
 - (b) the issue of 150,000 shares of the par value of \$1 each at a premium of \$2.85 each.....

	\$ 68,060
	\$427,500
	<u>\$495,560</u>
8. The \$1,000,000 aggregate principal amount of 6½% First Mortgage Sinking Fund Bonds Series A to be issued by the Company are to be dated March 15, 1962 and are to mature on March 15, 1977. Under the Trust Deed pursuant to which the said Bonds are to be issued, the Company will be required to establish a sinking fund to provide for the retirement of \$70,000 principal amount of such Bonds on March 15 in each of the years 1964 to 1976. The Trust Deed will provide that additional Bonds without limit as to aggregate principal amount may be issued subject to certain limitations. The Trust Deed will also provide that the Company will not declare or pay any dividends (other than stock dividends) unless immediately after giving effect to such action consolidated net current assets shall be equal to at least \$500,000.
9. The Company proposes to issue on March 26, 1962 share purchase warrants entitling the bearers thereto to purchase an aggregate of 80,000 shares in the capital stock of the Company at the following price per share, payable in cash;
 - \$4.50 per share if the right of purchase is exercised after September 15, 1962 and on or before March 15, 1964;
 - \$4.75 per share if the right of purchase is exercised after March 15, 1964 and on or before March 15, 1966;
 - \$5.00 per share if the right of purchase is exercised after March 15, 1966 and on or before March 15, 1969.

The share purchase warrants will be void after March 15, 1969.

The share purchase warrants will be delivered (i) in respect of 40,000 shares to the purchasers of the 6½% First Mortgage Sinking Fund Bonds Series A on the basis of 4 share purchase warrants for each \$100 principal amount of Series A Bonds (ii) in respect of 10,000 shares to the underwriters under the underwriting agreement referred to in note 1(d) and (iii) in respect of 30,000 shares to executive officers of the Company.

STATUTORY INFORMATION

1. The full name of the Company is National Containers Limited (hereinafter referred to as the "Company"). The head office of the Company is located at 25 Du Moulin Street, Ville St. Pierre, Quebec.

2. The Company was incorporated under the laws of the Province of Quebec by letters patent dated January 4, 1946 under the name Standard Barrels and Drums Inc. The name of the Company was changed to National Containers Limited by supplementary letters patent dated January 30, 1962. Supplementary letters patent dated May 9, 1952 and February 12, 1962 have also been issued to the Company.

3. The general nature of the business actually transacted or to be transacted by the Company is the reconditioning on a contract basis and the buying, reconditioning, selling and converting of steel drums. The Company's wholly-owned subsidiary, MacDonald Drums Mfg. Corporation (hereinafter called "MacDonald") engages in the business of manufacturing steel drums and its wholly-owned subsidiary National Steel Drum Ltd. (hereinafter called "National") engages in the business of manufacturing and reconditioning steel drums.

4. The names in full, present occupations and home addresses in full of the directors and officers of the Company are as follows:

Directors

JACK BERNARD GOODIS	Executive	75 Linwood Crescent, Town of Mount Royal, Quebec.
HYMAN KATZ	Executive	35 Springrove Crescent, City of Outremont, Quebec.
WILLIAM KATZ	Executive	1861 Surrey Crescent, Town of Mount Royal, Quebec.
ERIC DUFF SCOTT	Investment Dealer	66 Admiral Road, Toronto, Ontario.
NATHAN LOUIS SANDLER	Investment Dealer	1 Manitou Blvd., Toronto, Ontario.

Officers

JACK BERNARD GOODIS	President	75 Linwood Crescent, Town of Mount Royal, Quebec.
WILLIAM KATZ	Vice-President	1861 Surrey Crescent, Town of Mount Royal, Quebec.
HYMAN KATZ	Secretary-Treasurer	35 Springrove Crescent, City of Outremont, Quebec.

5. Matthews, Hoffman & Co., Chartered Accountants, 292 St. Joseph Boulevard West, Montreal, Quebec, are the auditors of the Company.

6. Canada Permanent Toronto General Trust Company at its offices in the Cities of Toronto and Montreal is the Transfer Agent and Registrar of the shares of the par value of \$1 in the capital of the Company. Montreal Trust Company will be the Trustee under the Trust Deed pursuant to which the Series A Bonds hereinafter referred to will be issued and registers upon which coupon Series A Bonds may be registered as to principal and upon which fully registered Series A Bonds shall be registered as to principal and interest and upon which transfers of Bonds so registered shall be recorded will be kept by the said Montreal Trust Company at its offices in the Cities of Toronto and Montreal.

7. The authorized capital of the Company consists of 1,000,000 shares of the par value of \$1 of which 450,000 are issued and outstanding as fully paid and non-assessable.

8. All shares in the capital of the Company rank equally as to dividends, carry one vote per share and have equal rights on liquidation or distribution of capital assets.

9. The Company does not propose to issue any bonds, debentures or other securities which if issued would rank ahead of or pari passu with the Series A Bonds or the shares offered by this prospectus except that the said Series A Bonds will rank ahead of the shares. The Trust Deed pursuant to which the Series A Bonds offered by this prospectus are to be issued will permit the issue of Additional Bonds to rank pari passu with the said Series A Bonds. No issue of Additional Bonds is contemplated in the near future.

10. No substantial indebtedness not shown in the pro forma consolidated balance sheet of the Company and its subsidiaries as at December 31, 1961 forming part of this prospectus is now intended to be created or assumed by the Company except obligations to be incurred in the ordinary course of the business and operations and on the general credit of the Company and its subsidiaries.

11. No securities of the Company are covered by options outstanding or proposed to be given by the Company except that the Company proposes to issue Share Purchase Warrants, the details of which are given on page 8 of this prospectus, to which reference is expressly made, entitling the holders thereof to purchase an aggregate of 80,000 shares of the par value of \$1 in the capital of the Company. 40,000 of the Share Purchase Warrants are to form part of the Units offered by this prospectus, 30,000 of the Share Purchase Warrants will be issued to Messrs. Jack Bernard Goodis, Hyman Katz and William Katz, the executive officers of the Company, as an incentive and 10,000 of the Share Purchase Warrants will be issued to the underwriters referred to in paragraph 16 of this statutory information.

12. The securities offered by this prospectus consist of: (i) \$1,000,000 principal amount of 6½% First Mortgage Sinking Fund Bonds Series A (herein sometimes referred to as the "Series A Bonds") to be dated March 15, 1962, to mature on March 15, 1977 and to bear interest at the rate of 6½% per annum; (ii) 150,000 shares (herein referred to as the "Shares") of the par value of \$1 in the capital of the Company; and (iii) Share Purchase Warrants entitling the holders thereof to purchase an aggregate of 50,000 shares of the par value of \$1 in the capital of the Company. Particulars of the Series A Bonds and Share Purchase Warrants are more fully set out on pages 4 to 8 inclusive of this prospectus, to which reference is hereby expressly made.

13. The estimated net proceeds to be derived by the Company from the sale of the Bonds, the Shares and the Share Purchase Warrants on the basis of the same being fully taken up and paid for will be \$1,517,500 less legal, auditing, printing and other expenses in connection with the issue thereof estimated at \$30,000.

14. The net proceeds of the issue of the Series A Bonds, the Shares and the Share Purchase Warrants will be used to

- (i) pay the balance of the purchase price, namely \$224,852, payable by the Company in respect of the purchase by it of all of the issued and outstanding common shares in the capital stock of National. Reference is made to paragraph **21 & 22** of this statutory information for details of the said purchase;
- (ii) retire the indebtedness of the Company and its wholly-owned subsidiaries to Industrial Development Bank including principal and premium (\$14,000) in the amount of \$240,000 and accrued interest;
- (iii) reduce by \$324,759 the indebtedness of the Company and its subsidiaries to their bankers;
- (iv) pay the redemption price, namely \$131,010 of certain preferred shares of the Company, MacDonald and National redeemed since December 31, 1961;
- (v) provide the sum of \$250,000 which is estimated to be the amount required to complete MacDonald's proposed expansion programme referred to on page 2 hereof; and
- (vi) the balance of such net proceeds will be used to provide additional working capital for the Company.

15. As not less than all of the Shares will be issued no minimum amount in the opinion of the directors must be raised by the issue of the Shares to provide the sums required or the balance of the sums required to pay the purchase price of any property, to meet preliminary expenses or commissions payable by the Company, to repay moneys borrowed by the Company in respect of the foregoing matters or to repay bank loans.

16. By agreement dated March 9, 1962 the Company agreed with J. H. Crang & Co., 40 Adelaide Street West, Toronto, Ontario, R. H. Scarlett & Company Limited, 11 Adelaide Street West, Toronto, Ontario and Credit Interprovincial Inc., 31 St. James Street West, Montreal, Quebec, acting as underwriters to sell to such underwriters and such underwriters agreed to purchase on their own behalf the Series A Bonds for a total purchase price of \$940,000 and accrued interest and the 150,000 Shares for a total purchase price of \$577,500, in each case payable in cash against delivery of the said Bonds and Shares on or about March 26, 1962, subject to the terms and conditions set out in the said agreement and compliance with the necessary legal formalities. Under the terms of the said agreement the Company will deliver to the said underwriters, at the time of the purchase of the Series A Bonds and the Shares, Share Purchase Warrants entitling the holders thereof to purchase 10,000 shares of the par value of \$1 in the capital of the Company and will deliver Share Purchase Warrants entitling the holders thereof to purchase 40,000 shares of the par value of \$1 in the capital of the Company to Montreal Trust Company, the depository under the Deposit Agreement referred to on page 9 hereof, to which reference is hereby expressly made.

The Series A Bonds, the Shares and 40,000 of the Share Purchase Warrants will be offered to the public in Units consisting of a Series A Bond in the principal amount of \$100, 15 Shares and 4 Share Purchase Warrants at a price of \$163 per Unit. Reference is hereby expressly made to the heading "Deposit of Shares and Share Purchase Warrants" for details as to the deposit of the Shares and Share Purchase Warrants with the depository and the delivery thereof to the registered owners of the fully registered Series A Bonds and the holders of coupon Series A Bonds.

17. The by-laws of the Company contain the following provisions as to the remuneration of directors: "The remuneration to be paid to any of the Directors shall be such as the Board shall from time to time determine, and such remuneration shall be in addition to the salary paid to any officer of the Company who is also a member of the Board of Directors".

18. During the last financial year of the Company, MacDonald and National no remuneration was paid to the directors of the Company, MacDonald or National as such. It is estimated that no remuneration will be paid to the directors of the Company or its subsidiaries as such during the current financial year. During the last financial year of the Company, MacDonald and National the aggregate remuneration paid by them to their officers was \$90,000 and it is estimated that the aggregate remuneration to be paid by the Company, MacDonald and National to their officers during the current financial year will be \$120,000.

19. No amount has been paid since the date of incorporation of the Company or is payable as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company. Reference is made to paragraph **16** of this statutory information for the price at which the Series A Bonds, the Shares and the Share Purchase Warrants are being sold by the Company.

21 & 22. Except as hereinafter stated no property has been purchased or acquired by the Company during the past two years or is proposed to be purchased or acquired by the Company the purchase price of which has been paid or is to be paid in whole or in part in securities of the Company or has been or is to be defrayed in whole or in part out of the proceeds of the issue of the Series A Bonds, the Shares or the Share Purchase Warrants.

Under an agreement made the 1st day of February, 1962 the Company purchased 996 of the 1002 issued and outstanding common shares of MacDonald for a purchase price of \$452,060, which was the book value of the said shares as at December 31, 1961 after giving effect to an appraisal of that company's assets made by Canadian Appraisal Company, Limited as of December 31, 1960. The increase in the book value caused by the said appraisal amounted to \$150,703. No part of the said purchase price was paid for goodwill. Three of the six issued and outstanding common shares of MacDonald not purchased by the Company under the agreement had been previously acquired by the Company. The other three

shares which are qualifying shares owned by the directors of MacDonald are subject to 20 year options entitling the Company to purchase the same at \$10 per share. The vendors of the said shares to the Company were Jack Bernard Goodis, 75 Linwood Crescent, Town of Mount Royal, Quebec, Hyman Katz, 35 Springrove Crescent, City of Outremont, Quebec and William Katz, 1861 Surrey Crescent, Town of Mount Royal, Quebec. The said purchase price was satisfied by the issue to the said vendors of 340 shares without par value in the capital of the Company. The said 340 shares without par value were subsequently subdivided and converted into 153,000 shares of the par value of \$1. Each of the said vendors received one-third of the said shares.

Under an agreement made the 22nd day of February, 1960 and an agreement made the 28th day of March, 1960 the Company purchased all of the issued and outstanding common shares of National (except one common share previously held by it) for a total purchase price of \$400,040 of which \$13,675 was paid for goodwill.

The names and addresses of the vendors of the said shares and the purchase price payable to each of them respectively are as follows:

<u>Vendor</u>	<u>Shares</u>	<u>Purchase Price</u>	<u>Address</u>
B. J. Shea, Jr.....	5,001	\$100,000	} Wickenburg, Arizona, U.S.A.
Paula Shea.....	999	19,980	
John Shea.....	4,000	80,000	} 9211 - 77th Street, Edmonton, Alberta
Michael L. Doyle.....	1	20	
William Katz.....	2,334	46,680	} 1861 Surrey Crescent, Town of Mount Royal, Quebec.
Stanley Bernard Katz.....	1,000	20,000	
Hyman Katz.....	1,669	33,380	} 35 Springrove Crescent, City of Outremont, Quebec.
Sharon Katz.....	555	11,100	
Daniel Katz.....	555	11,100	
Elaine Katz.....	555	11,100	
Jack Bernard Goodis.....	2,334	46,680	} 75 Linwood Crescent, Town of Mount Royal, Quebec.
Brian Norman Goodis.....	500	10,000	
Stephen Allan Goodis.....	500	10,000	
		<u>\$400,040</u>	

The balance now owing on the purchase price, namely \$224,852, will be paid out of the proceeds of the securities offered by this prospectus.

23. No securities of the Company have been issued or agreed to be issued within the two years preceding the date of this prospectus as fully or partly paid up otherwise than in cash except the shares issued to Jack Bernard Goodis, Hyman Katz and William Katz referred to in paragraph **21 & 22** of this statutory information.

24. Details of the Series A Bonds are set out on pages 4 to 8 inclusive of this prospectus to which reference is hereby expressly made.

25. No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this prospectus. No services have been rendered to the Company within the two years preceding the date hereof which have been or are to be paid for by securities of the Company.

27. The Company has not entered into any material contracts within the two years preceding the date hereof other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company, except as follows:

- (i) the underwriting agreement dated March 9, 1962 referred to in paragraph **16** hereof;
- (ii) the agreement made February 1, 1962 for purchase of shares of MacDonald referred to in paragraph **21 & 22** hereof;
- (iii) the agreement made February 22, 1960 for purchase of shares of National referred to in paragraph **21 & 22** hereof;
- (iv) the agreement made March 28, 1960 for purchase of shares of National referred to in paragraph **21 & 22** hereof.

Copies of the said contracts and, when entered into, the Deposit Agreement, Trust Deed and Share Purchase Warrant Indenture, may be inspected at the head office of the Company, 25 Du Moulin Street, Ville St. Pierre, Quebec during ordinary business hours during the course of primary distribution of the Series A Bonds, the Shares and the Share Purchase Warrants.

28. At the date hereof the Company does not propose to acquire any property in which any director has an interest.

30. Jack Bernard Goodis, Hyman Katz and William Katz will, if acting together, by reason of beneficial ownership of securities of the Company, be in a position to elect or cause to be elected a majority of the directors of the Company.

31. By an agreement dated March 9, 1962 between Jack Bernard Goodis, Hyman Katz, William Katz, J. H. Crang & Co. and Canada Permanent Toronto General Trust Company, Jack Bernard Goodis, Hyman Katz and William Katz have agreed contemporaneously with the purchase by the underwriters referred to in paragraph **16** hereof of the Series A Bonds and the Shares to deposit in escrow with Canada Permanent Toronto General Trust Company share certificates representing an aggregate of 360,000 shares in the capital of the Company and Share Purchase Warrants entitling them to purchase 30,000

shares in the capital of the Company subject to release as to one-third thereof on September 15, 1962, as to a further one-third thereof on December 15, 1962 and as to the balance on March 15, 1963, subject to earlier release with the written consent of J. H. Crang & Co., the Ontario Securities Commission, the Quebec Securities Commission and the Toronto Stock Exchange. The said agreement does not contain any restrictions on the transfer of the said shares or Share Purchase Warrants within the escrow. Subject as aforesaid no securities of the Company are to the knowledge of the Company held in escrow.

32. No dividends have been paid on any shares of the Company during the 5 years preceding the date of this prospectus.

33. There are no other material facts not disclosed in the foregoing.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information application other than in the financial statements or reports where required or exigible.

DATED this 9th day of March, 1962.

Directors

(signed) JACK GOODIS

(signed) ERIC D. SCOTT

(signed) W. KATZ

(signed) N. L. SANDLER

(signed) HYMAN KATZ

Underwriters

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

J. H. CRANG & Co.,

R. H. SCARLETT & COMPANY LIMITED

CREDIT INTERPROVINCIAL INC.

by (signed) ERIC D. SCOTT

by (signed) R. H. SCARLETT

by its agent (signed) M. J. HOWE

The following are the names of the partners of J. H. Crang & Co.: J. H. Crang, E. D. Scott, L. L. Masson, D. A. Fitzgerald, M. J. Howe, Paul Robert, O. A. H. Sims and G. C. Donley (limited partner).

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of R. H. Scarlett & Company Limited: R. Herbert Scarlett, R. Hunter Scarlett and N. L. Sandler.

The following are names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Credit Interprovincial Inc.: J.-Louis Lévesque, Gérard Favreau, Vianney Favreaux, Stanley E. Brock and André Charron.

13.

DIRECTORS AND CHIEF EXECUTIVE OFFICERS

OCCUPATION	NAME	ADDRESS
President and Director	Jack Bernard Goodis Executive	75 Linwood Crescent, Town of Mount Royal, Quebec.
Vice-President and Director	William Katz Executive	1861 Surrey Crescent, Town of Mount Royal, Quebec.
Secretary-Treasurer and Director	Hyman Katz Executive	35 Springrove Crescent, City of Outremont, Quebec.
Director	Eric Duff Scott Investment Dealer	66 Admiral Road, Toronto, Ontario.
Director	Nathan Louis Sandler Investment Dealer	1 Manitou Boulevard, Toronto, Ontario.

CERTIFICATE

Pursuant to a resolution duly passed by its board of directors the applicant Company hereby makes application for listing of the above mentioned securities on the Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



NATIONAL CONTAINERS LIMITED

“JACK GOODIS” President

“W. KATZ” Director

CERTIFICATE OF UNDERWRITERS

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

J. H. CRANG & CO.
“M. J. Howe”

CREDIT INTERPROVINCIAL INC.
“Andre Charron”

R. H. SCARLETT & CO., LTD.
“R. H. Scarlett”

